

2 Institutional Eligibility

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2.1 Overview

To be eligible to release Cal Grant funds to participating students, a school location must be providing instruction in California, complete a Cal Grant *Institutional Participation Agreement* (IPA), and be:

- ▶ a public postsecondary educational institution, *or*
- ▶ approved by the U.S. Department of Education (USED); participate in and administer the Federal Pell Grant program; and participate in at least two of the three federal campus-based student aid programs, *or*
- ▶ a nonprofit institution accredited by the Western Association of Schools and Colleges headquartered and operating in California with 10 percent of the school’s operating budget expended for the purpose of institutional grant aid, as demonstrated in an audited financial statement.

The school must also demonstrate the ability to administer the Cal Grant funds and must meet such other standards as are adopted by regulation by the Commission in consultation with the State Department of Finance.

For the second item above, participation in the Federal Pell Grant program and in campus-based programs means the school has applied for and has been allocated program funds, and is spending those funds for the applicable fiscal years. The campus-based programs include Federal Work-Study, Federal Perkins Loans, and the Federal Supplemental Educational Opportunity Grant program (FSEOG). [C.E.C. 69432.7 (1)] Participating schools must sign a Cal Grant IPA listing all branch campuses that will participate. (See Appendix C.)



Institution Location

A school’s eligibility to participate in the Cal Grant programs is approved for the specific locations included in the IPA and does not automatically carry over to branch campuses or other off-site classroom locations. In the event a school offers instruction at another location, or if the school opens another campus, the school must contact the California Student Aid Commission (Commission) to determine how this may affect Cal Grant participation for the new location(s). Although the extension of Cal Grant eligibility for the new location may not be complex, institutions must not assume that in all cases eligibility to a new campus will be established. Cal Grant participant eligibility is not automatic at branch and other off-site classroom locations.

California Campus?

Institutions that have administrative facilities outside of the state may still have an eligible California campus or site. The actual educational facilities and the personnel who determine eligibility and disbursement must be located on the California campus. Common ownership of several campuses is not a consideration when determining whether a campus can be considered a California school. It is acceptable for some administrative facilities to be located outside of the state, but local campus administrative capability must be demonstrated.



Schools that wish to add a campus or branch for Cal Grant eligibility must contact the Grant Operations Branch of the Grant Services Division. Depending on the status of the campus, another IPA may be required. Schools should contact the Commission early regarding new

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campus branches to allow time to establish the new location's program participation.

A qualifying institution, or a specific site of an otherwise qualifying institution, *shall be deemed disqualified if it no longer possesses all of the requirements* for a qualifying institution. Branch campuses are not Cal Grant-eligible unless they meet all of the requirements listed above. An institution that is disqualified pursuant to Part 600 of Title 34, Code of Federal Regulations, shall not be considered a "qualified institution." A disqualified institution may re-establish eligibility by complying with C.E.C. section 69432.7(l).

- ▶ audited financial statements (for at least the two most recently completed fiscal years)
- ▶ an audited balance sheet showing the financial condition of the institution at the time of application for participation
- ▶ the school's final authorization notice of funding for allocation of the federal campus-based student aid programs
- ▶ a statement of account from the USED or a general ledger showing that funds are being expended on federal campus-based student aid programs
- ▶ the institution's current catalog or resource document describing the course lengths of the institution's program(s).

In addition, schools must agree to maintain documentation of the following policies and procedures. These documents should be readily available upon request by Commission staff.

Questions? Institution staff with questions regarding institutional eligibility should contact the Grant Services Division at (916) 526-7985.

2.2 Documenting Institutional Eligibility

To initiate institutional participation in the Cal Grant programs, a school official must contact the Grant Operations Branch of the Commission, complete, then sign and submit a Cal Grant IPA. This document specifies the requirements for institutional participation in the Cal Grant programs. The IPA is periodically revised to encompass regulatory, policy and processing changes to the Cal Grant programs.

To document eligibility, the Commission reviews institution data from the Postsecondary Education Participants System (PEPS), along with information provided by the school. The following outlines the items that are reviewed *From PEPS data, a copy of:*

- ▶ the Detailed School Report from the USED
- ▶ the school's Eligibility & Certification Approval from the USED
- ▶ the institution's state legal accreditation authorization

Sent by the school:

- ▶ the school's existing disbursement and institutional refund policies, as outlined in Chapter 9

2.3 Institutional Participation Requirements

Cal Grant Program Course Requirements

The length of a school's educational programs determines in which Cal Grant programs the school can participate. If a school does not offer programs of sufficient length or degree goal to allow student participation in any of the Cal Grant programs, this information must be provided to the Commission. Accurate notification to the Commission can prevent Cal Grant participants from mistakenly believing they receive benefits at the school. Such notification will also prevent schools from releasing funds to ineligible students that would eventually require payback by the school. For Cal Grants, schools must offer programs with course lengths as follows:

Cal Grant A- The school must be a degree-granting institution that offers an instructional program that is not less than two academic years in length. [C.E.C. 69434 (a)] An instructional program of not less than two academic years means a program of study that results in the award of an associate or baccalaureate degree requiring at least 48 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program. [C.E.C. 69432.7 (j)]

Cal Grant B- The school must offer an instructional program of not less than one academic year in length. [C.E.C. 69435 (a)(1)] An instructional program of not less than one academic year means a program of study that results in the award of an associate or baccalaureate degree or certificate requiring at least 24 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program. [C.E.C. 69432.7 (i)]

Cal Grant C- The school must offer a technical/vocational course of study of four months or longer in length. Cal Grant C recipients must be enrolled in and pursuing an eligible technical/vocational program. [C.E.C. 69439 (a)]

Transfer Entitlement- To accept Cal Grant Transfer Entitlement participants, a school must offer baccalaureate degree programs. [C.E.C. 69436 (b)]

Cal Grant TCP Benefits- A year of Cal Grant eligibility is available to renewing Cal Grant participants who, upon obtaining a bachelor's degree, continue, within 15 months, into an approved Teaching Credential Program (TCP). [C.E.C. 69433.6 (c, d)] To be eligible to disburse Cal Grant TCP benefits, schools must offer a

professional teacher preparation program(s) approved by the California Commission on Teacher Credentialing. [C.E.C. 69433.6 (c)(1)] The Commission's Grant Services Division maintains a list of eligible schools offering approved programs.

Fifth-Year Benefits for a Mandatory

Five-Year Program- To be eligible to pay Cal Grant Fifth-Year benefits, a school must have a mandatory five-year program that requires all students in that major to complete more than the equivalent of four years of study to acquire their bachelor's degree.

Each year, schools must designate each of their mandatory five-year programs on the *College Cost Estimate Form*. The *College Cost Estimate Form* for the next award year is sent to schools in October. To add a program between College Cost Estimate submissions, a school must submit a written request to the Commission for approval of the school's mandatory five-year program. The campus Registrar or head of the school Academic Affairs Office must sign the request before Cal Grant Fifth-Year benefits can be approved. The Commission's Grant Services Division maintains a list of schools with approved mandatory five-year programs.



Institutional Administrative Capability

To participate in the Cal Grant programs, a school must agree to maintain certain standards of administrative capability and financial responsibility in accordance with state law and federal regulations. Administrative capability includes the assignment of sufficient number of capable individuals to administer Commission programs in coordination with other student aid programs. The Financial Aid Office must communicate with other school

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administrative areas, such as the accounting office and the campus Registrar, on matters that affect a student's eligibility.

The institution must also implement and retain written policies and procedures for managing the Cal Grant programs. These include, but are not limited to, policies and procedures covering:

- ▶ application verification
- ▶ award packaging
- ▶ Cal Grant funds disbursement
- ▶ Satisfactory Academic Progress
- ▶ overaward resolutions
- ▶ citizenship
- ▶ Professional Judgment
- ▶ refund and repayment

To participate in the Cal Grant programs, an institution must have demonstrated to the Commission that it is capable of adequately administering the programs under each of the standards established in this chapter.

The Commission considers an institution to have sufficient administrative capability if the institution:

- ▶ administers the Cal Grant programs with adequate checks and balances in its system of internal controls
- ▶ maintains an accounting system which conforms to generally accepted accounting principles/practices and shall include, but not be limited to, cash receipts and disbursement journals, bank reconciliations, evidence of receipt or credit of funds to recipients and all other accounting records necessary to account for all transactions
- ▶ divides the functions of authorizing payments and disbursing or delivering funds so that no one office has responsibility for both functions with respect to any particular student provided aid under the programs. For example, the

functions of authorizing payments and disbursing or delivering funds must be divided so that for any particular student who receives assistance through the programs, the two functions are carried out by at least two organizationally independent individuals.

- ▶ maintains documentation that includes the division of functions of individuals for authorizing payment and disbursing funds (separation of duties)

Financial responsibility includes the institution meeting all of its financial obligations, and complying with the fiscal provisions set forth in the IPA, the *Cal Grant Programs Manual*, all Commission *Policy Bulletins*, *Operations Memos* and *Special Alerts*, the California Education Code (C.E.C.) and the California Code of Regulations (C.C.R.).

Third Party Service- Institutions that choose to use a third party servicer to administer their Cal Grant program funds must be aware that the educational institution, rather than the servicer, will be held accountable for any compliance issues that may arise.

Clear Audit Trail- The institution's fiscal records should provide a clear audit trail of the status of Cal Grant funds from the time they are received by the school from the State Controller's Office (SCO) through the time they are used to pay students' eligible charges, delivered to the student in the case of Access or Books and Supplies payments, or refunded back to the Commission.

Each institution must maintain a detailed accounting of all Cal Grant funds it receives. The records for the bank account in which the funds are held must show that the institution did not use funds received prior to their delivery to the students (e.g., credited to their account).

If program funds were delivered by check, there should also be records of all check negotiations. This is required to show that funds were delivered to the student and to assure that checks that are not cashed (and hence not used by the student) are correctly credited back to the student's record.

Bank Account Records- If Cal Grant funds are received and deposited in an account and combined with funds not from the Cal Grant programs, there must be a separate record to show the status of Cal Grant funds in that account at all times. Clear records will dispel any potential conflicts.

\$\$ Bank Account Interest- Cal Grant funds may be maintained in an interest-bearing or non-interest-bearing account. However, if the funds are in an interest-bearing account, **all interest** earned on those funds must be returned to the Commission.

There should also be a correlation between the different fiscal records at the institution. For example, if school ledgers show \$10,000 was received via EFT or check from the SCO, and the ledger shows disbursements to 20 students, fiscal records (e.g., vouchers or ledgers) should reflect either payments against those students' tuition, or checks issued to students. There is no specific requirement for an individual student account statement, but a school must maintain some system for evaluating students' accounts to determine when funds received have exceeded eligible costs for the applicable periods.

Records Must Identify Each Year- The fiscal records must reconcile with specific year advances from the SCO. Fiscal records must identify not only the program, but also the award

year to which the funds are being applied. For example, if the records show Cal Grant funds were disbursed to a student on August 24, records must reflect whether those funds were for the current or prior award year. This determination is critical in ensuring that funds are reported on the appropriate year's roster.

Administrative Action- If an institution does not comply with any one of the requirements in the above references, the Commission may take several actions: these may include limitation, suspension, or termination. Such actions include the right to suspend Cal Grant disbursements to the school until the matter is resolved. In the event of an administrative action, the Executive Director may opt to release state financial aid funds to students at the school to alleviate any financial hardships. (C.E.C. 69509 (a)) Action can also be taken if an institution does not respond in a timely manner to a Commission grant compliance review finding, is delinquent in the payment of Cal Grant program invoices or is inadequately monitoring Cal Grant program procedures and recipients on the campus. More information on Commission enforcement actions and program compliance reviews is included in Chapter 11.

Designation of Funds

Participating Cal Grant schools must agree to maintain all Commission grant funds in a designated account identified as the property of the State either by a ledger account or a bank account. Institutions may deposit funds, federal and state, into one bank account, but in such case the funds must be identified using subsidiary ledgers in order to keep state funds distinguished from all other funds. All activity (deposits and expenditures) of Commission

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grant funds must be supported by appropriate accounting records in accordance with generally accepted accounting principles and practices.

If the institution establishes a separate bank account for Cal Grant funds, there must be a clear indication in the bank account's name that these are Cal Grant funds, clear and distinguishable, not to be confused with any other financial aid funds. **All interest** earned on these accounts must be returned to the Commission on behalf of the State, regardless of any agreement between the bank and the institution relative to bank charges or co-mingling of funds.



Three Years of Records Retention

A participating Cal Grant institution agrees to retain records (i.e., paper, tape, microfiche, back-up data, electronic media, WebGrants on-line) as are necessary to document fully the accuracy of the grant payments reported and the right of the institution to receive or retain payments made by the Commission for a period of three years following the last day of the academic period for which the grant was intended. As an example, records demonstrating participant eligibility for the Spring 2002-03 term ending June 2, 2003, must be retained at least until June 2, 2006.

Schools must maintain complete and accurate program and fiscal records. These are essential in demonstrating the school's eligibility to participate in the Cal Grant Programs and they provide a clear "audit trail" for Cal Grant Program expenditures. Records must be kept to demonstrate proper administration of Cal Grant Program funds by the school, that each student was eligible for the funds received, and that the funds were disbursed in accordance with program regulations.

Examples of records to retain include:

- ▶ the ISIR used to determine financial eligibility
- ▶ student and/or parent financial records (i.e. 1040's, bank statements, asset records, etc.)
- ▶ situational documentation describing medical conditions, loss of employment, exceptional family expenses
- ▶ Cal Grant payment rosters
- ▶ any records for each Cal Grant recipient that clearly reflect the student was eligible for the funds received, and the funds were disbursed in accordance with program regulations.

2.4 College Cost Estimates

The *College Cost Estimate Form* is completed by Cal Grant participating schools. The Commission uses it to determine the student's cost of attending a particular school and/or program. The form allows the school to provide cost estimates for undergraduate and vocational/technical and teaching credential programs. This information is important since the Commission uses it to determine the financial need of new applicants and the award amounts for new and renewal recipients attending the school. Any on-campus housing cost at an institution is also included. The form is distributed to Financial Aid Offices at participating schools in October and should be returned to the Commission by the deadline in December. The December deadline is required because the next Cal Grant awarding period begins in January.

Schools must retain a copy of each *College Cost Estimate Form* that are submitted to the Commission. Full instructions are included on the reverse of the form. School cost estimates should include tuition charges for standard full-time course work for the entire academic year, based on undergraduate, vocational/technical, or teaching credential study. Fees that are charged to all students may be included.

Tips for completing the College Cost Estimate:

- ✓ Complete a separate College Cost Estimate form for each qualifying course of different cost.
- ✓ List program costs only on a 9-month basis. The Commission will make any adjustments if the school is set up for year-round payment.
- ✓ If all programs offered by the school are of equal cost, only one College Cost Estimate form should be submitted.
- ✓ List any mandatory five-year undergraduate programs that require all students to complete more than the equivalent of four years of study to acquire their bachelor's degree.

The College Cost Estimate data is needed in December. At that time, Commission staff creates the system tables used to offer Cal Grant Entitlement awards beginning in early January. If a school does not return the College Cost Estimate information, the Commission will use information submitted for the previous year to evaluate new Cal Grant applicants. If, during a program review, the Commission determines that the school was aware of an unreported increase that would have meant more Cal Grant funds for their students, the school will be cited for the reason "Cal Grant eligibility not maximized."

Due to budget limitations, the Commission cannot guarantee that cost increases reported after December will be recognized. However, the Commission will make every effort to make adjustments within these limitations. Cost increases reported after July, other than those legislatively mandated, will not be recognized under any circumstances.

2.5 SEARS Survey

The Student Expenses and Resources Survey (SEARS) is conducted every three years to provide data to assess students' expenses and resources while attending college. The survey

directly polls actual students on the actual costs and expenditures of California college students. SEARS data is used to construct the California Student Aid Commission's Nine-month Student Expense Budgets that are released to California colleges each year. The data is also used directly by the Commission to use as college cost information in the selection of Cal Grant recipients. Between each SEARS survey, budgets are updated to include a cost of living increase.

2.6 Change of School Ownership or Participation Requirements

Change of Ownership

A change in ownership and control occurs when a person or company (partnership or corporation) obtains new authority to control an institution's actions, whether the institution is a proprietorship, partnership, limited liability company, or corporation. The most common example of this change in controlling interest is when an institution is sold to a new owner.

The Commission's change of ownership policy is similar to the process used by the Title IV federal assistance programs, such as Pell, and the Federal Student Loan Programs. The Cal Grant Institutional Participation Agreement (IPA) singled by the previous owner expires on the date the change takes place, which immediately terminates the institution's existing Cal Grant participation. However, as long as Title IV eligibility is reconfirmed during the same award year, retroactive payments can be made to eligible students, if the following apply:

- ▶ the school continues to demonstrate administrative capability.
- ▶ the Commission is notified by the previous owner of the change within 10 days of the date it occurs. Concurrently, the new owner must notify the institution's accrediting agency and provide the Commission with proof the institution's accreditation continued under the new ownership or control

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- ▶ a new IPA must be submitted and approved by the Commission
- ▶ if applicable, the new owner(s) also should notify the appropriate state agency that licensed or approved the school. One such agency, for example, is the Department of Consumer Affairs' Bureau for Private Postsecondary and Vocational Education (BPPVE).

Responsibilities of the Previous Owner(s)

Before the change in ownership or control takes place, the previous owner should ensure that all Cal Grant payments due to students for the current payment period are distributed, and that all records are current and in compliance with the C.E.C., the California Code of Regulations and Commission policies. If the school requires additional funding to pay eligible students for the current payment period, it should request and disburse them prior to the ownership change.

The institution loses its approval to participate in the Cal Grant program on the date the change in ownership or shift in control takes place. An institution may use Cal Grant funds it has received to satisfy any unpaid commitments made to students for the current term. An institution may not make new commitments to students, nor receive additional Cal Grant funds from the Commission, until an IPA has been signed by the institution and executed by the Commission.

Responsibilities of the New Owner(s)

As early as possible prior to the change of ownership, the new owner should request that the former owner provide copies of:

- ▶ the school's existing USED Eligibility and Certification Approval Report (ECAR)
- ▶ the school's refund policy
- ▶ the school's default management plan
- ▶ the results of prior program reviews and compliance audits
- ▶ the school's audited financial statements for at least the two most recently completed fiscal years, **and**
- ▶ an audited balance sheet showing the financial condition of the institution at the time of the change.

The new owner will need this information to receive approval from the USED to participate in the federal financial aid programs.

To participate in the Cal Grant programs, institutions must qualify following the guidelines explained in Section 2.2. If the entity that has acquired the school is an ongoing entity (partnership or corporation), the school must also submit:

- ▶ completed audited financial statements of the acquiring entity for the last two consecutive fiscal years
- ▶ proof that its accreditation is continued under the new ownership or control, **and**
- ▶ a photocopy of its State legal authorization under the new ownership
- ▶ If the new owner possesses other institutional interests, a complete audited financial statement of those interests must be provided for the last two consecutive fiscal years.

New School, New IPA- The new owner may not award Cal Grant Program funds until approval is received through an IPA signed by the Commission. If the new owner(s) acquired the institution, or if the school is the result of a merger of two or more former institutions, the new owner is liable for any debts from the former owner's Cal Grant Program administration. The new owner accepts liability for any Cal Grant funds that were provided to the institution, but were improperly disbursed before the date the change in ownership or shift of control became effective. The new owner must also abide by the refund policy for students

enrolled before the date the change in ownership or control became effective and must honor all student enrollment contracts signed before the date of the change.

Before the date of purchase, it is recommended that the new owner request that all students receive their Cal Grant Program award payments, all Cal Grant Program accounts have been closed out, and all related reports and payment transactions have been properly filed. An institution may not make new commitments to students nor receive additional Cal Grant funds from the Commission until an IPA has been signed by the institution and executed by the Commission.

New School, New Accounts- At the time of ownership change, the school bank accounts from which Cal Grant funds were disbursed will probably change, or the signatories to those accounts may change. As a step to reduce school liability, the school should verify the status of any Cal Grant checks released to students that have not been reported as cashed. Cal Grant checks that are disbursed, but uncashed will still be reflected in the balance of the school's account. The checks should be cancelled and reissued or the funds should be returned to the Commission. Change of ownership does not absolve the owners from the responsibility to assure that program funds are released to eligible participants.

Commission compliance staff will take action in the event a school does not verify acceptance of funds, return any unclaimed funds to the Commission or if the school has no way to verify acceptance.



Closure of a School or School Location

In the event of the closure of a school, the school ownership must notify the California Student Aid Commission within 10 days of the

closure. This is required even if only one branch of a school closes. Cal Grant program awards are made based on the student's eligibility at an eligible school. Therefore, a participant's Cal Grant eligibility may not automatically transfer to another school even in the same school chain depending on the circumstances of the original school's closure and that campus' relationship to other schools in the chain.

If the Commission does not receive notification of school closure, the Commission will attempt to determine the status of the school, its assets and any undisbursed Cal Grant program funds. The Commission will determine from school records and from interviews with students, about the disposition of grant funds already disbursed to program participants. Determination of whether the participant will be charged program eligibility for the term, or for the portion of the program for which disbursement was made will be made on an individual basis.

Change in School Status

In the event of an institutional ownership change, a change in accreditation, a change in location, or other conditions, a participating Cal Grant school may no longer meet the institutional eligibility requirements. Should changes such as these occur, the campus must notify the Commission of its new status. Other situations that would require notification to the Commission include:

- ▶ ceasing participation in the Pell Grant program or ceasing to participate in at least two of the three federal campus-based aid programs
- ▶ ceasing to comply with the 10 percent rule
- ▶ loss of accreditation or any change in accreditation that affects program participation
- ▶ adding or deleting campuses
- ▶ changes in personnel responsible for Cal Grant administration.

Notification of the above situations must be made within 10 days of their occurrence.

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2.7 Consortium Agreements

A consortium agreement allows an institution to enter into a contractual agreement with another institution to provide a portion of a student's program of study. The agreement also specifies which institution will have the responsibility of reporting and verifying enrollment and administering financial aid. A consortium agreement may exist between a school that is eligible to administer Cal Grant funds and one that is not. If a student is enrolled in a contracted program of study and attends the eligible school, and that school has the responsibility of verifying enrollment and administering aid, the student is eligible to receive the Cal Grant funds. However, if the school that is not eligible to administer Cal Grants has the responsibility of verifying enrollment and administering aid, the student is not eligible to receive the Cal Grant funds.

For Cal Grant payment purposes, a concurrently enrolled student's attendance status (full-time, three quarter-time, half-time) can be determined based on the total units at both schools if a consortium agreement exists between the schools. If no consortium exists, concurrent enrollment cannot be considered and the participant can be paid based only on one or the other school's unit total.

Consortium or contractual agreements between schools are authorized under federal regulations contained in 34 CFR (Code of Federal Regulations) Section 600.9. For more information on the specific requirements of such agreements, refer to the regulation or the *Student Financial Aid (SFA) Handbook* published by the U.S. Department of Education. The *SFA Handbook* is available on-line at the USED *Information for Financial Aid Professionals* Web site at www.ifap.ed.gov.

2.8 Cal Grants for Attendance Outside California

If a consortium agreement exists, students may be paid Cal Grant benefits to attend colleges outside of California. For example, a student who is taking courses at the University of Chicago, if she/he is enrolled through a program of the University of California. Also, students attending an eligible education abroad program may receive Cal Grant A, B or C benefits. To be eligible to receive grant benefits for attendance outside of California, the student must meet the following requirements:

- ▶ complete the eligibility requirements as described for Cal Grant A, B, or C; **and**
- ▶ be considered a regularly enrolled student enrolled at least half time at an eligible California school attending through a formal consortium, reciprocal education agreement or in an accredited overseas program

In order for a student to receive Cal Grant benefits from her/his home campus, the home California campus must make the determination of eligibility for financial aid and must also handle the financial aid disbursement. It is important that students be aware of these conditions and not assume that a Cal Grant can be used for any out-of-state or education-abroad program without checking with their home campus Financial Aid Office. Unless all conditions are met for out of California attendance, no Cal Grant disbursements can be made.

The Commission does not automatically increase a student's budget to reflect additional expenses resulting from out-of-state or overseas attendance. However, the school may use professional judgment to adjust the student's budget if it determines it to be appropriate. The school should notify the Commission of adjustments, using the *Grant Record Change Form for Schools* (G-21). (See Appendix A)

2.9 Distance Learning Programs and Cal Grants

Cal Grant program participants may receive benefits through distance learning programs when **all** of the following are true:

- ▶ the campus providing the education is located in California
- ▶ the student is a California resident
- ▶ all other Cal Grant program requirements are met

The ISIR and Cal Grant GPA verification information the Commission receives does not state whether a student is in a distance learning situation. As with any Cal Grant participants, each school will be responsible for verifying student eligibility and whether any distance learning participant meets Cal Grant residency requirements.

Federal Guidelines- In addition to the above, the Commission's requirements mirror those established for the Federal Student Assistance (FSA) programs. Schools should follow FSA guidelines unless otherwise stated.

The federal guidelines, including specific distance learning/correspondence study student definitions, are given in 34 CFR 600.2 and in 34 CFR 600.7.

2.10 WebGrants Participation

An *Information Security and Confidentiality Agreement*, and the *System Administrator's Access Request Form* must be filled out at the school, signed by an Authorized Official and Security Administrator, and returned to the Commission to add a System Administrator.

The Commission recommends designating at least two Security Administrators so a backup is

always available. Please note that both forms must be completed, signed, and returned to the Commission to designate a new Security Administrator. The *System Administrator's Access Request Form* can also be used to delete or change a System Administrator. These forms are to be forwarded to the Commission for processing. Schools will not have the ability to add, change electronically, or deactivate their Security Administrator. The Commission reserves this right.

The System Administrators will use the *User Access Request Form* to add, change, or deactivate user IDs and passwords at the school. The Commission handled this function in the past, but that authority has been relinquished to each school's System Administrator. The *User Access Request Forms* remain on file at the school.